

**MD EXHIBIT 4**

Docket No. 2019-281-S

**Palmetto Utilities, Inc. -- Regulatory Liability (Deferral) Account due to TCJA**

Assumes refunds begin 7/1/20

**Summary**

	<u>Total</u>
Effect due to Change in ADIT	\$ 1,191,344
Total Regulatory Liability (Deferral) Account -- TCJA	<u>1,191,344</u>

**Effects of Change in ADIT**

Category	Starting Balance	Proposed Return Period (yrs)
Fixed Assets	\$ 415,047	per schedule
Intangibles	341,339	4
Allow. for Doubtful Accts.	(30,166)	2
AFUDC	<u>465,125</u>	25
Total	<b>1,191,344</b>	

**Effect due to Change in ADIT****Development of Plant Related Deferred Taxes**

Dollars

	<u>Total</u>		<u>Balance at 12/31/18</u>
<b>Basis for Deferred Taxes</b>		<b><u>Intangibles</u></b>	
Palmetto	\$ (3,360,701)	Deferred Tax at 37.3%	1,030,926
Total	(3,360,701)	Deferred Tax at 24.95%	689,587
<b>Deferred Taxes</b>		Difference	\$ <b>341,339</b>
<b>@ 37.3%</b>			
Palmetto	(1,253,541)	Basis for Deferred Tax	244,258
Total	(1,253,541)	Deferred Tax at 37.3%	91,108
<b>@ 24.95%</b>		Deferred Tax at 24.95%	60,942
Palmetto	(838,495)	Difference	\$ <b>(30,166)</b>
Total	(838,495)		
<b>Difference</b>		<b><u>AFUDC</u></b>	
Palmetto	415,047	Deferred Tax at 37.3%	(1,404,790)
Total	<b>415,047</b>	Deferred Tax at 24.95%	(939,665)
		Difference	\$ <b>465,125</b>

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**Effect Schedule**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
<b>Effect due to Change in ADIT</b>	\$ -	\$ 44,428	\$ 88,857	\$ 96,398	\$ 103,940	\$ 61,272	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 37,704
<b>Total Regulatory Liability (Deferral)</b>	\$ -	\$ 44,428	\$ 88,857	\$ 96,398	\$ 103,940	\$ 61,272	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 37,704
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
<b>Fixed Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,099
<b>Intangibles</b>		42,667	85,335	85,335	85,335	42,667										
<b>Allow. for Doubtful Accts.</b>		(7,541)	(15,083)	(7,541)												
<b>AFUDC</b>		9,302	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605
<b>Total</b>	\$ -	\$ 44,428	\$ 88,857	\$ 96,398	\$ 103,940	\$ 61,272	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 37,704

**Effect Schedule**

	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
<b>Effect due to Change in ADIT</b>	\$ 37,237	\$ 32,642	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 20,257	\$ 26,132	\$ 33,824	\$ 46,672	\$ 36,735	\$ 27,003	\$ 26,738	\$ 24,817	\$ 15,414	\$ 14,993
<b>Total Regulatory Liability (Deferral)</b>	\$ 37,237	\$ 32,642	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 20,257	\$ 26,132	\$ 33,824	\$ 46,672	\$ 36,735	\$ 27,003	\$ 26,738	\$ 24,817	\$ 15,414	\$ 14,993
	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>
<b>Fixed Assets</b>	\$ 18,632	\$ 14,037	\$ -	\$ -	\$ -	\$ -	\$ 1,652	\$ 7,527	\$ 15,219	\$ 28,067	\$ 27,432	\$ 27,003	\$ 26,738	\$ 24,817	\$ 15,414	\$ 14,993
<b>Intangibles</b>																
<b>Allow. for Doubtful Accts.</b>																
<b>AFUDC</b>	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	18,605	9,302					
<b>Total</b>	\$ 37,237	\$ 32,642	\$ 18,605	\$ 18,605	\$ 18,605	\$ 18,605	\$ 20,257	\$ 26,132	\$ 33,824	\$ 46,672	\$ 36,735	\$ 27,003	\$ 26,738	\$ 24,817	\$ 15,414	\$ 14,993

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<u>Effect Schedule</u>	<u>2051</u>	<u>2052</u>	<u>2053</u>	<u>2054</u>	<u>2055</u>	<u>2056</u>	<u>2057</u>	<u>2058</u>	<u>2059</u>	<u>2060</u>	<u>2061</u>	<u>2062</u>	<u>2063</u>	<u>2064</u>	<u>2065</u>
Effect due to Change in ADIT	\$ 14,185	\$ 13,665	\$ 13,456	\$ 12,917	\$ 12,609	\$ 12,547	\$ 12,537	\$ 12,491	\$ 12,447	\$ 12,405	\$ 12,383	\$ 12,009	\$ 9,377	\$ 9,509	\$ 1,879
Total Regulatory Liability (Deferral)	\$ 14,185	\$ 13,665	\$ 13,456	\$ 12,917	\$ 12,609	\$ 12,547	\$ 12,537	\$ 12,491	\$ 12,447	\$ 12,405	\$ 12,383	\$ 12,009	\$ 9,377	\$ 9,509	\$ 1,879
	<u>2051</u>	<u>2052</u>	<u>2053</u>	<u>2054</u>	<u>2055</u>	<u>2056</u>	<u>2057</u>	<u>2058</u>	<u>2059</u>	<u>2060</u>	<u>2061</u>	<u>2062</u>	<u>2063</u>	<u>2064</u>	<u>2065</u>
Fixed Assets Intangibles Allow. for Doubtful Accts. AFUDC	\$ 14,185	\$ 13,665	\$ 13,456	\$ 12,917	\$ 12,609	\$ 12,547	\$ 12,537	\$ 12,491	\$ 12,447	\$ 12,405	\$ 12,383	\$ 12,009	\$ 9,377	\$ 9,509	\$ 1,879
Total	\$ 14,185	\$ 13,665	\$ 13,456	\$ 12,917	\$ 12,609	\$ 12,547	\$ 12,537	\$ 12,491	\$ 12,447	\$ 12,405	\$ 12,383	\$ 12,009	\$ 9,377	\$ 9,509	\$ 1,879